



To Lead, Advocate and Connect as the Voice of Business

SENATE BILL 89: SMALL BUSINESS RELIEF TAX CREDIT – EXPANSION

BUDGET & TAXATION COMMITTEE

JANUARY 30, 2019

SUPPORT

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **supports Senate Bill 89**, which would expand the Small Business Relief Tax Credit to allow the credit to apply to a small employer who provides paid parental leave to a qualified employee who earns 250% of the annual federal poverty level. Last year, the General Assembly created the Small Business Relief Tax Credit to provide an income tax credit to any small business that provided paid sick and safe leave to a qualified employee. In addition to allowing the credit to apply to paid parental leave, SB 89 would: (1) double the credit for any small employer providing both parental and sick and safe leave, and (2) increase the total amount of credits available from \$5 million to \$10 million per year.

Paid sick leave has been a focus of both the State and local governments in Maryland for the last few years. In 2016, the Montgomery County Council enacted legislation mandating that employers provide paid sick leave and the State of Maryland enacted similar legislation in 2018. The MCCC agrees that paid parental leave (*i.e.*, maternity leave) is an equally as important benefit. Further, the MCCC believes that providing businesses with tax credits is an appropriate and effect method for government to encourage businesses to implement these important programs.

Many of our member businesses already provide paid parental leave to their employees. Nevertheless, a tax credit such as the one proposed in SB 89 could help small businesses provide a benefit they could not otherwise afford.

For these reasons, we request a **favorable report on Senate Bill 89**.

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our over 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.